

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
Southern California Gas Company (U 904 G)
for Authority to Revise its Rates Effective
January 1, 2003, in its Biennial Cost Allocation
Proceeding.

Application 01-09-024

In the Matter of the Application of
San Diego Gas & Electric Company (902 G)
for Authority to Revise its Gas Rates Effective
January 1, 2003, in its Biennial Cost Allocation
Proceeding.

Application 01-10-005

**ADMINISTRATIVE LAW JUDGE'S RULING
REQUIRING THAT PARTIES MEET AND CONFER
AND SCHEDULING PREHEARING CONFERENCE**

On September 21, 2001, Southern California Gas Company (SoCalGas) filed Application (A.) 01-09-024, and on October 5, 2001, San Diego Gas & Electric Company (SDG&E) filed A.01-10-005. Both applications were filed in the utilities 2003 Biennial Cost Allocation Proceeding (BCAP) to revise rates for gas service effective January 1, 2003. Although SoCalGas' application was filed before SDG&E's application, the two applications are consolidated into one 2003 BCAP proceeding.

The applications set forth proposed gas rates and tariffs based on the use of long-run marginal cost (LRMC) principles for the allocation of costs. SoCalGas and SDG&E have both concluded that the use and application of

appropriate embedded cost principles will provide a more economically efficient cost allocation study than provided by use of the LRMC methodology. SoCalGas was unable to complete a study of both the LRMC and the embedded cost methodologies in time for its BCAP filing, so it plans to supplement its application on or before November 9, 2001 with the filing of its embedded cost study. SDG&E also had insufficient time to prepare the requisite LRMC and embedded cost study in time for the filing of its BCAP application, so it intends to supplement its application by November 19, 2001.

A number of protesting parties have complained that they are unable to properly evaluate and respond to the respective BCAP applications because the embedded cost studies are not included. In order to address this information lag, the Commission is scheduling the prehearing conference (PHC) after SoCalGas and SDG&E supplement their applications.

Both BCAP applications have been categorized as ratesetting, requiring hearings. In addition, both applications set forth proposed procedural schedules that are not in concert. I will establish one schedule for the consolidated proceeding for evidentiary hearings and service of testimony at the PHC.

Meet and Confer

Pursuant to Rule 49, I direct the parties to meet and confer¹. Consistent with Rule 49, parties should discuss the particulars set forth below and prepare and file a prehearing conference statement, within 10 days of such a meeting, but no later than close of business on November 27, 2001. PHC statements are limited to seven pages in length.

¹ The parties may meet telephonically if it is more convenient for them than an in-person meeting.

In particular, the parties should use this opportunity to see if they can reach agreement on a proposed schedule for the consolidated proceeding, including dates for service of testimony, hearings, and the filing of post-hearing briefs. The parties should also see if they can agree on the issues that are relevant to the applications and should be included in the scope of the proceeding. If the supplemental applications raise any other issues, the parties should also address those particulars during the meet and confer. Most importantly, the parties should work to narrow the issues to those that are necessary and relevant to the BCAP.

Prehearing Conference

A PHC is scheduled for Tuesday, December 4, 2001, at 10:00 a.m., in the Commission Courtroom located at 505 Van Ness, San Francisco, California. At that time appearances will be taken and a service list will be compiled. Everyone who has access to e-mail should include the e-mail address on the appearance form so service may be done electronically for those with e-mail access. It is also important for a party to clarify on the appearance form whether the appearance is as a party, or as a non-party, i.e., as state service or information only.

Service

It is Commission practice that all appearances must serve all parties and state service participants on the service list. Rule 2.3(b) provides that the administrative law judge (ALJ) may direct that service be made by electronic means. I will require all appearances that can provide the Commission with an electronic mail address to serve documents in this proceeding by electronic mail, and in turn, to accept service by electronic mail. Service by electronic mail will be used in lieu of paper mail where an electronic address has been provided. Any appearance, or state service participant, who has not provided an electronic

mail address shall serve and take service by paper mail. Service by mail is described in Rule 2.3(a).

This ruling does not change the rules regarding the tendering of documents for filing. Documents for filing must be tendered in paper form, as described in Rule 2, et seq. Service on the Commission, including the assigned ALJ and Commissioner, may be by electronic mail. My e-mail address is cab@cpuc.ca.gov.

Therefore, **IT IS RULED** that:

1. Parties shall meet and confer informally and file a prehearing conference (PHC) statement, limited to seven pages, within 10 days of such a meeting, but no later than the close of business on November 27, 2001.
2. A PHC in this proceeding will be held at 10:00 a.m. on December 4, 2001, in the Commission Courtroom, State Office Building, located at 505 Van Ness Avenue, San Francisco, California.
3. All appearances that have provided the Commission with an electronic mail address shall serve documents in this proceeding by electronic mail, and in turn, shall accept service by electronic mail. Service by electronic mail will be used in lieu of paper mail where an electronic address has been provided.

Any appearance that has not provided an electronic mail address shall serve and take service by paper mail.

Dated November 5, 2001, at San Francisco, California.

/s/ CAROL A. BROWN

Carol A. Brown
Administrative Law Judge

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of the original attached Administrative Law Judge's Ruling Requiring that Parties Meet and Confer and Scheduling Prehearing Conference on all parties of record in this proceeding or their attorneys of record.

Dated November 5, 2001, at San Francisco, California.

/s/ JACQUELINE GORZUCH
Jacqueline Gorzoch

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074, TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.